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	12 March 195	19
	MEMORANDUM FOR: Acting Chief, Development Projects Division	
	SUBJECT : Conversation with Kelly Johnson Concerning Development Flight Testing	pp-
	REFERENCES: A.  B. Memorandum for DD/P, from Contracting Offi dated 9 Merch 1959, subject "Discussions with C. L. Johnson on 4 Merch 1959" (DPD-1459-59)	
25X1A	1. In the course of a conversation with Mr. Kiefer and myself on 10 March, Kelly Johnson did bring up the subject of the referenced cable from the referred to this matter only rather late in the conversation and in a good-humored fashion; I felt that he was not in a state of m to make any major issue concerning it.	rom ver-
25X1A	2. His statement was that	for t y th nd
25X1A	3. I told Kelly that I had been advised of his conversation with but was unaware that the issue of responsibility for productions.	luction
25X1A	flight testing had been raised. I reaffirmed the above agreement with him.  I also stated, however, that I expected	
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25X1A	the progress of production flight testing and to make any suggestions or recommendations that occurred to him for improving flight test procedures and programs or for reducing their costs. I emphasized that I had encouraged to make suggestions in the first instance directly to the contractor rather than through this Headquarters. Kelly appeared entirely
:	satisfied with these views.
25X1A 25X1A	4. In this part of the conversation we touched on the related topic referred to in reference B of procedures for approving engineering changes and tests thereof. I said I was aware of desires in this matter and of the engineering change procedure document had presented to Kelly. Kelly replied that it would be entirely satisfactory to
	have Lockheed act in accordance with this procedure in changes undertaken for us but that basically our requirements were similar. I then reaffirmed our long-standing agreement that (a) any change of test program must be authorised by us, (b) there should be a clear understanding that oral authorization in conversation or by telephone would be permitted whenever desirable
25X1A	in the interest of speed and flexibility, but (c) that there should, however, be some exchange of communications whether on the standard form developed by or more simply in a letter, to confirm the contractor's cost estimate and our authorization to proceed for every such program including those authorized orally. Kelly expressed himself as wholly satisfied with this method of doing business. I have mentioned this point in conjunction with that referred to in paragraphs 2, and 3, above in order to indicate that Kelly is well awars of the need for an orderly procedure on this matter. He
	volunteered that in his view things had been getting out of hand in that his own subordinates had been carrying out changes without either our authorisation or his. I feel, therefore, that the air has campletely cleared on this problem that has somewhat bothered me in the past few months.
	5. In the course of this discussion of procedures I volunteered that I felt we must re-establish a single point of approval within DPD for new undertakings by contractors involving significant expenditure of funds. I reminded Kelly that for a number of years the understanding had been that
25X1A	was focal point for all such approvals but that with the separation of the Contracting Officer's responsibility from George's, the iscus of responsibility might have become blurred. I also pointed out that even
25X1A	when I spent much time in an effice next to I personally

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had caused enough confusion by approving actions orally and omitting to notify my colleagues and that the greater remoteness of my present office could render my irresponsibility even more troublesome to all concerned. Accordingly, I told Kelly that I believed we should re-establish our Contracting Officer as the focal point for oral or written approvals but that this would either be confirmed to him or we would advise him, if on further reflection, we desired to make a different arrangement. This matter should receive our prompt attention. I hope to discuss it with \_\_\_\_\_\_\_\_\_ in the immediate future and with the staff at the regular Staff Meeting on 17 March.

RICHARD M. BISSELL, JR. Deputy Director (Plans)

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3- Contracts DPD

4 - Dir Ops DPD

5 - C/Admin DPD

& C/Mats DPD

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